

**DRAFT MINUTES
TIMBER ADVISORY COMMITTEE
November 10, 2008 MEETING**

The meeting was called to order by Dean Kinnee, Acting Chairman, at 9:30 a.m., Room 122, State Board of Equalization (BOE), 450 N Street, Sacramento, California, with the following in attendance. A quorum was present.

**TIMBER ADVISORY
COMMITTEE (TAC) MEMBER**

Dean Kinnee, Acting Chair
Linda Hill
Charles Leonhardt
Leslie Morgan
Mike Mallory
Marty Olhiser
George Belden

REPRESENTING

BOE
Assessor, Humboldt County
Assessor, Plumas County
Assessor, Shasta County
Assessor, Siskiyou County
Large-Scale Timber Owners
Small-Scale Timber Owners

OTHERS IN ATTENDANCE

Carole Ruwart
Benjamin Tang
Peter Murphy
Mike Doyich
George Felix
Art Tenneson
Angela Wong

REPRESENTING

BOE, Legal Department
BOE, CAPD, Timber Tax Section
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BOE, CAPD, Timber Tax Section
BOE, CAPD, Timber Tax Section

1. Approval of the May 21, 2008 Meeting Minutes

Marty Olhiser moved to approve the minutes from the May 21, 2008 meeting. Linda Hill seconded the motion, which then passed without objection.

2. Harvest Value Discussion for Period January 1, 2009 – June 30, 2009

a. Tables G & S — Green and Salvage Values Schedules

Peter Murphy presented graphs of the time adjustments and gave an overview of the time adjustments methodology used to process timber and delivered log sales.

George Belden discussed the need to reevaluate the Timber Value Area (TVA) boundaries due to mill closures and recommended that staff look into the issue. Benjamin Tang stated that Art Tenneson has been assigned to reevaluate the TVA boundaries and that staff would report findings at the next TAC meeting.

Marty Olhiser asked staff to explain the Douglas Fir valuation for TVA 1. Art Tenneson explained that Douglas Fir values hit bottom during the last value period. Non-industrial timber owners have not participated in the market recently because they logged in the

peak of the market. The current market participants are industrial timber owners, which have greater economies of scale and marketing efforts. Therefore, values are up slightly from the last value period.

Mike Mallory moved to approve the suggested values for Tables G & S. Leslie Morgan seconded the motion, which then passed without objection.

b. Table 1, Miscellaneous Forest Products Harvest Values

Peter Murphy advised the TAC that staff is reducing the suggested poles & pilings, medium (PM) by \$0.10 to \$0.90 per unit and poles and pilings, large (PL) by \$0.10 to \$1.80 per unit based on sales information obtained after the initial valuation was completed.

Chuck Leonhardt moved to approve the changes to PM and PL. Linda Hill seconded the motion, which then passed without objection.

Linda Hill moved to approve the suggested values for Table 1. Chuck Leonhardt seconded the motion, which then passed without objection.

3. Other Business

a. Modified Values Schedule Discussion

Peter Murphy advised the TAC that staff is recommending a modified values schedule for timber harvested in the third quarter 2008 and first quarter 2009 for TVA 4 and TVA 7. Peter stated that a modified values schedule is being presented due to the significant volume affected by the fires in Shasta, Trinity, Butte counties, and the values are substantially lower due to the lack of demand. Peter stated that an estimated 100-125 million board feet was affected in TVA 7. George Belden stated that an estimated 100 million board feet was affected in TVA 4.

Mike Mallory moved to approve the modified values schedule. Marty Olhiser seconded the motion, which then passed without objection.

b. Date for Next Meeting

The date for the next TAC meeting was tentatively set for May 6, 2009 at 9:30 a.m.

4. New Business

Mike Mallory asked if TAC members could participate in the TAC meetings by phone. Benjamin Tang stated that he would look into it and report back at the next TAC meeting.

5. Adjournment

Dean Kinnee adjourned the meeting at 10:30 a.m.